

can call the SLD Client Service Bureau for assistance at **1-888-203-8100**. For “New School Construction” or for an “Administrative Entity” ONLY, enter the Weighted Average Discount for the School District. (A preparatory Worksheet A must be submitted documenting the Weighted Average Discount for the School District or, if a Worksheet A already includes all schools in the School District, label that worksheet “All Schools in the School District.”)

INCOME Measured by % of students eligible for the National School Lunch Program	URBAN LOCATION Discount	RURAL LOCATION Discount
If the percentage of students in your school that qualifies for the National School Lunch Program is...	...and you are in an URBAN area, your discount will beand you are in a RURAL area, your discount will be ...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

Calculating a Shared Discount for the *School* District (Column 8 and Item 10c)

Item 10b, Column 8: For each school receiving an appropriate share of shared services, multiply the discount rate for the school (Column 7) by the number of students in the school (Column 4). If you file online, the system will calculate this figure for you. The product is the school’s weighted discount. For “New School Construction” or for an “Administrative Entity,” leave this item blank.

Item 10b, Column 4, last cell: Add all of the students in all of the schools listed, and enter the total into the last cell at the bottom of Column 4. If you file online, the system will calculate this figure for you.

Item 10b, Column 8, last cell: Add together all of the products in Column 8, and enter the total into the last cell at the bottom of Column 8. If you file online, the system will calculate this figure for you.

Item 10c - Divide the total at the bottom of Column 8 by the total at the bottom of Column 4. Round the result to the nearest whole number percentage, and enter it into Item 10c. If you file online, the system will calculate this figure for you.

Worksheet B: Discount Calculation for those entities filing as Libraries

If you checked the third box in Block 1, Item 5, you should use this worksheet.

Item 10a - If you are filing this application as:

- a library consisting only of one outletbranch, you need only complete one line of Item 10b, Columns 1-4. All of the services for which you **are** applying will be subject to the same site-specific discount you calculate here.
- a library and you **are** a library system with more than one outletbranch, and you are requesting services that **will** go ONLY to individual outlets and **will** not be shared, complete Columns 1-4 of Item 10b for each outlet.
- a library and you are a library system with multiple outlets/branches, and ALL of the outlets/branches will share one or more services (whether or not those outlets/branches **will** also receive site-specific services), complete Columns 1-4 PLUS Item 10c.
- a library and you are a library system with some of the services you are requesting shared by some outlets/branches and not others (whether or not those outlets/branches **will** also receive site-specific services), complete a separate worksheet, Columns 1-4 PLUS Item 10c, for each different group of outlets/branches sharing a service. You **will** then label the worksheets E1, B-2, B-3, etc.

Item 10b - You will use this worksheet as instructed in Item 10a to calculate the appropriate discount(s).

Item 10b, Column 1: For each library outletbranch included in your application, list the outletbranch by **name** on a separate row. For a new library under construction, label this item "New Library Construction" followed by the name of the library, in parentheses, if it is known at the time the Form 471 is submitted. If your library system office or other administrative building(s) is eligible for services, label this item "Administrative Entity" followed by the name, in parentheses, of the library system or other administrative building.

Item 10b, Column 2: List the Entity Number for each library outletbranch. If you do not know the Entity Number for a particular library outletbranch or administrative building, call the SLD Client Service Bureau at 1-888-203-8100.

Identifying the Site-Specific Discount for Each Library Outlet

Item 10b, Column 3: List the **name** of the public school district in which each library outlet/branch is located.

Item 10b, Column 4: The level of poverty for a library outletbranch is based on the percentage of student enrollment that is eligible for a free or reduced price lunch under the National School Lunch Program or a federally approved alternative mechanism in the public school district in which the

library is located. If you are using the percentage of students eligible for the National School Lunch Program, you may generally obtain the necessary information by contacting your local school district.

To determine the discount to which the library is entitled under **E-rate**, you must perform a two-step procedure. First, calculate the percentage of the students eligible for the National School Lunch Program in the school district in which the library is located. Second, **use the Discount Matrix (see above)** to determine the discount to which the library is entitled under E-rate. This discount must be entered in Item 10b, Column 4.

FIRST STEP: To calculate the percentage of students eligible for the National School Lunch Program, **take the number of students eligible for the National School Lunch Program (NSLP) in the school district in which the library outlet/branch is located (listed in Column 3) and divide by the total number of students in that school district. Use** the number of students eligible for the National School Lunch Program (NSLP) as of the October 1st prior to the filing of this form or **use** the most current **figure** available. Discount calculations may be rounded up only when fully half a discount point is reached. For example, a library outlet/branch with a calculated NSLP percentage of 34.499% will round down to 34%, and a library outlet/branch with a calculated NSLP percentage of 34.500% will round up to 35%. For calculated NSLP percentages of less than 1%, there is no rounding

You may choose to **use** a federally approved alternative mechanism for the public school district in which the library is located to determine the level of poverty for purposes of the universal service discount program. Those using a federally approved alternative mechanism may **use** participation in other income-assistance programs, such as Medicaid, food stamps, Supplementary Security Income (SSI), federal public housing assistance (Section 8), or Low Income Home Energy Assistance Program (LIHEAP) to determine the number of students that would be eligible for the NSLP. *See* 34 C.F.R. § 200.28(a)(2)(i)(B). For more information, please refer to the "Alternative Discount Mechanisms Fact Sheet" posted on the SLD web site at www.sl.universalservice.org.

SECOND STEP: **Using the percentage calculated for the school district and the Discount Matrix (see above), determine the discount to which the Library is entitled under E-rate.** (NOTE: You must determine if the library outlet/branch is located in an urban or rural area based on the table posted in the "Rural/Urban Classification" information on the SLD web site at www.sl.universalservice.org. Instructions accompanying the table **will** help you determine whether the library outlet/branch is located in an urban or a **rural** area for purposes of the universal service support mechanism.) For example, a library outlet/branch which is located in an urban area with a calculated NSLP eligibility of 34% is eligible for a 50% E-rate discount from the Discount **Matrix**, and a library outlet/branch which is located in an urban area with a calculated NSLP percentage of 35% is eligible for a 60% E-rate discount from the Discount Matrix. For calculated NSLP percentages of less than 1%, there is no rounding, and the E-rate discount from the Discount Matrix is 20% for urban and 25% for rural.

For “New Library Construction,” enter the discount from the Discount Matrix calculated as described above for the school district in which the library under construction is located. For an “Administrative Entity,” enter the Library System’s Average Discount from Item 10c *after* it is calculated.

Calculating the Shared Discount for the Library System

Item 10b, Column 4, last cell: Add up all of the **discounts** in this column and enter the total in the cell at the bottom of Column 4. If you file online, the system **will** calculate this figure for you.

Item 10c - Divide the total at the bottom of Column 4 by the total number of library outlets/branches listed in Column 1. Round the result to the nearest whole number percentage, and list this number in Item 10c. This is the library system’s shared discount. If you **file** online, the system **will** calculate this figure for you

Worksheet C: Discount Calculation for Consortia

If you checked the fourth box in Block 1, Item 5, you should use this worksheet. This worksheet should be used for a consortium of schools, school districts, libraries (outlets/branches, systems) or any combination of the above.

Item 10a - If you are **filing** this application **as:**

- a consortium and you are requesting services that will go **ONLY** to an individual consortium member and will not be shared, complete Columns 1-3 of Item 10b for each member.
- a consortium and if **ALL** consortium members **will** share one or more services (whether *or* not those consortium members **will** also receive site-specific services), complete Columns 1-3 for each member of your consortium **PLUS** Item 10c.
- a consortium, and some requested services **will** be shared by some consortium members and not others (whether or not those consortium members **will** also receive site-specific services), you must complete a separate worksheet, Columns 1-3 **PLUS** Item 10c, for each different group of consortium members **sharing** a service. You will then label the worksheets C-1, C-2, C-3, etc.

Item 10b - You will use this worksheet as instructed in Item 10a to calculate the appropriate discount(s).

Item 10b, Column 1: For each eligible consortium member included in your application, list the member by name on a separate row. Do not list ineligible consortium members, **as** they **will** not receive discounted services.

Item **10b**, Column **2**: List each eligible consortium member's Entity Number. If you do not know the Entity Number for a particular eligible consortium member, call the SLD Client Service Bureau at 1-888-203-8100.

Identifying the Site-Specific Discount for Each Member

Item **10b**, Column **3**: Provide the correct discount for each eligible member depending on the type of entity it is.

- If the member is an individual school, use the discount from Worksheet A, Column 7. Attach a completed Worksheet A showing the calculations for each school that is a member of your consortium.
- If the member is a school district, use the discount from Worksheet A, Item 10c (the weighted average discount). Attach a completed Worksheet A showing the Calculations for each school district that is a member of your consortium.
- If the member is a library outlet/branch, use the discount calculated as explained above for Worksheet B, Column 4.
- If the member is a library system, use Worksheet B, Columns **1-4** PLUS Item **10c**, to calculate the discount. Attach a complete Worksheet B showing these calculations for each library system that is a member of your consortium.

Calculating the Shared Discount for the Consortium

Item **10b**, Column **3**, last cell: Add up all of the discounts in this column **and** enter the total in the cell at the bottom of this column. **If** you file online, the system will calculate this **figure** for you.

Item **10c** - Divide the total at the bottom of Column **3** by the total number of consortium members listed in Column 1. Round the result to the nearest whole number percentage, and list this number in Item 10c. This is the **shared** discount for the entire consortium. **If** you file online, the system **will** calculate this **figure** for you.

F. Block 5: Services Ordered

Block **5** asks you to provide information about the eligible services that you have ordered, their cost, and the discount you are requesting based on the entities to receive service. The **following** information **will** highlight the features of Block **5**:

You will complete one Block 5 worksheet for **each** Funding Request. In general, you should complete a separate Funding Request page for:

- Each service provider that will be providing you with service.
 - Each separate contract or service agreement (but not necessarily the individual service within that contract or agreement, as long as they are in the same category of service, e.g. telecommunications services).
 - Each different category of service provided by the same provider. For example, a PBX system that the applicant will purchase and own and local voice service from the same telephone company should go on separate Block 5 worksheets, since the PBX would be Internal Connections and the phone service is Telecommunications Services. Check the “Eligible Services List” and any updates at www.sl.universalservice.org to identify which category each service belongs in.
 - Local phone service.
 - Long distance phone service.
 - Site-specific service (service not shared by other sites).
 - If you are ordering services based on different Forms 470, services corresponding to each Form 470 must be reported on separate Block 5 worksheets with the relevant Form 470 Application Numbers.
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- **Priority 1 and Priority 2 services.** Applicants who are applying for both Priority 1 (Telecommunications Services or Internet Access) and Priority 2 (Internal Connections) services are strongly encouraged to file these requests on separate Forms 471 — that is, to file one or more Forms 471 for **their** Priority 1 requests and one or more Forms 471 for their Priority 2 requests.
 - **Ineligible costs:** You may not seek support for ineligible services, entities, **and** uses. The Block 5 worksheet **will** guide you through deducting any ineligible costs from your total cost of services before calculating your discount request. If you have any questions about whether a service is eligible for support, please check the “Eligible Services List” on the SLD web site at www.sl.universalservice.org or contact the SLD Client Service Bureau at 1-888-203-8100.
 - **Signed contracts:** You **MUST** have a signed contract (or a legally binding agreement between you and your service provider preparatory to a formal signed contract) **for** all services you order on your Form 471 except:
 - *Tariffed services;* Telecommunications services that you purchase at prices regulated by your state regulatory commission and/or the FCC, which do not **require** a signed, written contract.
 - **Month-to-Month Services:** Month. to-Month services which do not **require** a signed, written contract. Your billing arrangement signifies that you are receiving your services on a month-to-month basis.

Note: You must file a Form 470 and seek competitive bids for tariffed or month-to-month services each funding year.

- Eligible **service** providers: To provide you with telecommunications services, Internet access and internal connections under this program, a service provider must secure a Service Provider Identification Number (SPIN) from the Universal Service Administrative Company and certify that they will comply with program rules. ***However, telecommunications services may be obtained only from telecommunications companies who provide those telecommunication services on a common carriage basis (meaning they provide their services for a fee to the general public).*** You may check the “BEAR/SPIN Search” on the SLD web site at www.sl.universalservice.org to confirm whether your service provider is eligible to provide telecommunications services. If you receive telecommunications services from a provider that does not provide telecommunications services on a common Carriage basis, your Funding Request for such services will be denied.
- Discounted **and** undiscounted amounts: Form 471 requires you to certify in Block 6, Item 25 that you have adequate budgetary resources for the undiscounted portion of any service you seek, **as** well as for related, ineligible services such as computers, training, software, maintenance, and electrical connections that you will need to *make* effective use of the services you order.

Item-by-Item Instructions

FRN # - The Fund Administrator will assign a unique number to each Funding Request represented on a Block 5 worksheet.

Item 11 - Check the correct category for the service listed on this Block 5 Funding Request. You may check only ONE. Please consult the “Eligible Services List” and any updates on the SLD web site at www.sl.universalservice.org or contact the SLD Client Service Bureau at 1-888-203-8100.

Item 12 - Provide the IS-digit FCC Form 470 Application **Number** of the FCC Form 470 in which the services ordered here were sought. FCC Form 470 applicants will receive **this** number when they receive confirmation that their FCC Form 470 has been received and posted.

Item 13 - Enter the 9-digit Service Provider Identification Number (SPIN) for **this** service provider. You must provide a valid SPIN for the service provider indicated in Item 14 below. Each service provider should give you its SPIN on request. You may refer to the “BEAFUSPM Search” area of the SLD web site for a list of service provider contacts. A service provider who does not have a SPIN should file the FCC Form 498 to obtain one. The Form 498 and Instructions can be downloaded from the Forms Area of the SLD web site.

Item 14 (30 characters maximum) - Provide the full legal **name** of the service provider for this Funding Request. You may list only **ONE** service provider per Block 5 worksheet. **The** name of your Service Provider whose SPIN is indicated in Item 13 above must be provided.

Item 15 (18 characters maximum) - Provide the contract number for this service.

- If this is a contracted service, and the contract does not have a contract number but has some other reference number, you should note that number. If there is no reference number, please enter **NIA**.
- If you are buying off **of** a master contract signed by a state, **regional** or local procurement agency on behalf of eligible schools and libraries, you may use either the master contract number or the number of your own purchase agreement executed pursuant to that master contract. Whichever number you use, be certain that you **use** the corresponding dates in Item 18 and Item 20.
- If this is a tariffed **s e r v i c e** a telecommunications service that you purchase at prices (rates) regulated by your state regulatory commission and/or the FCC which does not require a signed written contract—place a **T** in Item 15.
- Certain services are commonly offered on the basis of a month-to-month arrangement where there may be no written agreement between the customer and **the** service provider. These include services such **as** Internet access, cellular services and paging services. In these instances, standard monthly bills will be accepted **as** proof of a binding, legal arrangement between the service provider and the customer. (These arrangements are different from tariffed services, which may also be offered month-to-month but at regulated prices.) If the service for which you are completing Block 5 is purchased under such a month-to-month arrangement, please enter **MTM** (for “month-to-month”) in Item 15.

Item 16 (18 characters maximum) - Provide the account number that your service provider **has** established with you for billing purposes. This information will help your service provider provide you with discounted **bills** for service. In the case of telephone services, this is most often the billed telephone number associated with the service. **If there are multiple billed telephone numbers, provide one main number.** If this service is already established (for example, a service provided under a qualified existing contract, or tariffed services for which you have selected the **same** service provider who already provides you with service), you should be able to find your account number on past bills, or you can request your account number from the service provider. If you have not yet established **an** account number, your service provider may have a “pre-account” identifier for you to **use**. If your service provider has no account number to identify your service, enter **N/A**.

Item 17 - List the Allowable Vendor Selection/Contract Date for this service. **The** Allowable Vendor Selection/Contract Date is the earliest date you are permitted to sign a contract for newly contracted services or to select your service provider for tariffed or month-to-month services after posting a Form 470. This Allowable Vendor Selection/Contract Date **is** identified in your Receipt Notification Letter for the Form 470 cited in Item 12 above, **as** well as on that posted Form 470 on the SLD web site.

Item 18 - For contracted services, enter the date that your contract for this service was signed, using mm/dd/yyyy format. For tariffed services and month-to-month services that you have identified as such in Item 15, leave this item blank.

Item 19a - For contracted, tariffed, and month-to-month **services**, provide the date when services will start in the **funding** year for which you **are** applying, using mm/dd/yyyy format. Note that discounts **will** NOT be provided for services delivered before the beginning of the funding year, which starts on July 1. **Thus**, if this service **has** already started by **the time** you file this Form 471, you **will use** July 1 of the funding year as your Service Start Date.

Item 19b - For tariffed and month-to-month services, enter the date that services will end in the funding year for which you are applying, using mm/dd/yyyy format. For contracted services, *see* Item 20 below.

Item 20 - For contracted services, enter **the** date the contract expires, in mm/dd/yyyy format. For tariffed services and month-to-month services that you have identified as such in Item 15, leave this item blank.

Item 21 (8 characters maximum) - Each Block 5 Discount Funding Request must include a description of the products and services for which discounts are being sought. This description is known as an "Item 21 Attachment." Each description must be labeled with a unique "Attachment Number" that you create. For Item 21, please enter the Attachment Number you have created.

You may cite the same description of services in multiple Block 5 Discount Funding Requests. For example, if you are ordering Internal Connections products and services under a single contract for multiple sites and the products and services are the same for each site, each Block 5 Discount Funding Request may refer to a single Item 21 Attachment.

In general, the Item 21 Attachment is a narrative description of the funding request and a line-item listing of the products and/or services requested with their associated costs. Service providers can assist applicants in the preparation of the Item 21 Attachment, which also must include:

- **The** applicant's name
- The Attachment Number (*see* above)
- **The** applicant's Billed Entity Number, and
- The Form 471 application number, if one has been assigned through **online filing**.

The line-item listing of products and services may be submitted in a table format **as** follows:

Quantity	Description of Product or Service	Unit Cost	-----Extended Cost-----	
			Recurring	Non-Recurring

In some circumstances, additional information may be required. For example:

- Ensure that any included ineligible products and/or services **are** identified and the cost of such products and/or services is deducted.
- For maintenance services, include the specific list of components to be covered and break out the pricing for maintenance of **these** components.
- For telephone services, indicate the number of phone lines and/or cell phones receiving service, and provide information about their use if any **will** be used for other **than** educational purposes.
- A price quotation from the service provider, a representative **bill** for continuing services, or the criteria used to estimate new or increased costs, may be submitted if sufficient detail is provided in that documentation to determine the eligibility of the funding request.
- If products or services are being purchased under a state master contract, include the contract number (if available) and the expiration date of the state master contract.
- Include an explanation of the purpose, location, breakdown of up-front costs, or other information to provide a clear explanation of the funding request.

If questions arise during review of **an** application, the SLD may reach out to the applicant to request additional information. For this reason, applicants can significantly speed up the application review process by including complete information in the Item 21 Attachment.

Item 22 - Entities receiving this service. For site-specific services that **will** be provided to one individual entity and not **shared** by others (for example, a local area network to be installed in one school building), provide the Entity Number of the individual entity receiving that service in **Item 22a**. For shared services used jointly by multiple entities (such **as** telecommunications services provided to all of the outlets/branches in a library system), list the Block 4 Worksheet **Number** that shows the sharing entities and calculates the shared discount for this service in **Item 22b**.

Item 23 - Use the step-by-step calculation grid to arrive at the total amount of your **funding** request. You may round dollar amounts to the nearest dollar, but please use numerals and include all digits. **DO NOT use words such as 1 million**, in place of 1,000,000. Note that if you are seeking support on multi-year contracts, **you may request funding only for that portion of the contract that is delivered in the relevant funding year.**

Use Columns A-E for **recurring** charges (monthly charges) for this service, and Columns F-H for **non-recurring** charges (one-time charges) for this service.

You may request discounts only for products and services delivered in the relevant funding year. Recurring services must be delivered between July 1 and June 30 of the funding year. Non-recurring services must generally be delivered between July 1 and the September 30 following the close of the funding year. For more information, please refer to "Service Delivery Deadlines and Extension Requests" on the SLD web site at www.sl.universalservice.org.

Item **23**, Column **A** Estimate your total monthly cost for this service. If the cost of service fluctuates from month to month, you may use the average of past bills to estimate the monthly cost.

If you expect to pay a non-recurring charge in multiple installments over the funding year, you should either amortize this charge in Columns A-E or include the full amount of this charge in Columns F-H. **DO NOT** include this amount under both recurring and non-recurring charges. If you amortize this charge in Columns A-E, you will not be eligible for discounts on the non-recurring services provided after June 30 of the funding year.

Item **23**, Column **B**: Enter the total cost associated with **ANY** ineligible services, entities, or uses included in your monthly charges. **The** following represent some common ways in which eligible and ineligible costs are bundled together, and how you can go about deducting the ineligible costs.

- Eligible services bundled with ineligible services: While you may contract with the same service provider for both eligible and ineligible services, your contract or purchase agreement must clearly break out costs for eligible services from those for ineligible services. If the eligible and ineligible services were purchased together at a special "bundled" price, a proportionate cost allocation is required between the eligible and ineligible components. **The** applicant **will** use this reduced price when requesting universal service discounts on the eligible service. For example, if a provider offers to **sell** a school an eligible service for \$10.00 and an ineligible service for \$20.00, but also offers them **as** a bundle for \$24.00, this would indicate that the provider is offering a **\$6.00**, or 20%, price reduction. Therefore, the school could treat \$10.00 - 20% = \$8.00 **as** eligible for universal service support.
- Services shared by eligible and ineligible entities: When you share a service with an ineligible entity, the provider may receive reimbursement only for that portion of the service that eligible entities are receiving. To help auditors **confirm** that this **rule** is being observed, you must **keep** and **retain** careful records of how you have allocated **the** costs of shared services and facilities among eligible and ineligible entities. You should **maintain these** records consistent **with** any measures that may be established by the FCC, the SLD, or state commissions.

- **Bundled services from an Internet service provider:** You may receive discounts on access to the Internet but not on separate charges for particular proprietary content, other information services, or a package including content and conduit. The only exception is when the bundled package includes minimal content and provides a more cost-effective means of securing access to the Internet than other non-content alternatives. **Thus**, if a service provider bundles Internet access with a package of content that is available to all customers free of charge, the entire price of that bundle will be eligible for support. However, if the service provider a) does not offer an access-only service, and b) offers Internet users access to its Proprietary content for a price, then you may treat the difference between the content-only price and the price it charges for its bundled access as the price of non-content ~~Internet~~ access.

Item 23, Column C: Subtract the amount in Column B from the amount in Column A to arrive at your eligible monthly pre-discount cost.

Item 23, Column D: Provide the number of months you will be receiving this service in the funding year.

Item 23, Column E: Multiply Column D by Column C to arrive at your ~~annual~~ pre-discount cost for eligible recurring services.

Item 23, Column F Estimate your total annual amount of non-recurring (one time) pre-discount charges for this service.

Item 23, Column G Provide the total cost here associated with any ineligible service, entities, or uses included in your total ~~annual~~ cost of service. See notes on Column B, above, for **more** information.

Item 23, Column H: Subtract the amount in Column G from the amount in Column F to arrive at your total eligible pre-discount cost for nonrecurring services.

Item 23, Column I: Add together columns E and H to arrive at your total eligible pre-discount costs (recurring and non-recurring) for the year.

Item 23, Column J Enter the correct discount for this service, which is the discount you calculated for the entity or entities cited in Item 22. Refer back to *the* appropriate Block 4 worksheet to assure that you enter the correct discount.

Item 23, Column K Multiply the amount in Column I by the discount in Column J to arrive at your total funding commitment requested for this service.

G. Block 6: Certification and Signature

Block 6 **requires** schools and libraries to **certify** certain information. This information is **required** to ensure that only eligible entities receive support under the universal service discount mechanism.

“Do Not Write In This Area” - The SLD **uses** this space to apply a bar code to your form upon receipt, so that we can properly track and archive your form.

Special Block 6 Instructions for Applications Filed Online

- When you have completed **the** online filing of Blocks 1-5, please print your application to retain a copy for your records.
- You must also submit the Block 6 certification.
- If you have a **User ID** and PIN and wish to submit your Block 6 certification **online**, follow the directions online. When you submit your certification online, you will receive a confirmation so that you can be assured that your submission has met any filing deadlines. If you file online and use **online** certification, do not mail any part of your Form 471 **to** the SLD, but do mail the Item 21 attachments to the SLD as soon as possible after completing your Form 471. Make a copy of the online certification confirmation page and attach that to the top of the Item 21 attachment so that the SLD **will** be able to match the Item 21 attachment with the correct Form 471. Check the “PIN Request Area” of the SLD web site for information about obtaining a User ID and a PIN.
- If you wish to submit the completed and signed Block 6 certification on paper, print Block 6 using your browser. When you print Block 6 using the browser, the form will automatically include your Form 471 Application Number, Applicant Name, and Applicant Address. Item 34 requires the signature of the authorized person who **will** certify to **the** accuracy of the information on the form. Also, you must complete Items 24–33. Mail the signed Block 6 to: **SLD-Form 471, P. O. Box 7026, Lawrence, Kansas 66044-7026**. For express delivery services or U.S. Postal Service Return Receipt Requested, send to **SLD-Form 471, c/o Ms. Smith, 3833 Greenway Drive, Lawrence, Kansas 66046**. Note: Do not mail **the** complete Form 471. Mail only **the** signed Block 6 certification page along with your Item 21 Description of services and any other attachments. If the Block 6 certification is submitted on paper, you are advised to keep proof of the **date** of mailing.

For all applicants, filing on paper or online:

Item 24 - Certify that the entities listed in Block 4 of your application are eligible schools and/or libraries. If your application includes schools and **all** of **the** information in **Item 24a** is true of those schools seeking to receive discounted services, you should check the box in Item 24a. If your

application includes schools and any of the information in Item 24a is not true for the schools seeking to receive discounted services, those schools are not eligible to receive support under the universal service discount mechanism, and you should not check this box.

If your application includes libraries or library consortia and all of the information in Item 24b is true of the libraries seeking to receive discounted services, you should check the box in Item 24b. If your application includes libraries or library consortia and any of the information is not true for the libraries or library consortia seeking to receive discounted services, those libraries or library consortia are not eligible to receive support under the universal service discount mechanism, and you should not check this box.

Item 25 - Certify that the current budget and any other budgets applicable to the current funding year for the eligible schools and libraries listed in Block 4 of this application **will** provide sufficient **funding** in this funding year to purchase all of the resources—including computers, training, software, maintenance, and electrical connections—that are necessary for you to make effective use of the eligible services you have requested in Block 5, as well **as** to pay the non-discounted portion of the charges for eligible services.

As **part** of our review of your Item 25 certification, the **SLD** may request additional documentation to support your certification. The certification in Item 32 below states that you will retain for five years any and all worksheets and other records that you rely upon to fill out your Form 471. For Item 25, these worksheets and records include:

- Paying **your** share **of** E-rate eligible costs. You may be asked to provide documentation of your ability to pay the non-discounted portion of the products and services for which you have applied for discounts. You should already have the funds identified in your budget to pay for these costs. If your budget is not yet final, we may request additional documentation to substantiate your certification.
- Paying for ineligible **costs**. You may be asked to provide estimates of hardware, software, professional development, retrofitting (construction and electrical work necessary to prepare a building for technology), maintenance investments and other resources that are necessary to make effective **use** of the E-rate discounts you have requested. These resources may or may not be eligible for E-rate discounts. Again, if these resources will be purchased under your budget, you should already have the **funds** identified in your budget to pay for them. However, these resources may also be ones that you already have or own, such as computers purchased or donated in a prior year.
- Technology Plan. If you applied for more than basic local and long distance telephone services, you may be asked to provide a copy of your Technology Plan. Your Technology Plan should include a description of the products and services necessary to accomplish your technology service goals, whether they **are** eligible or ineligible for E-rate discounts.
- Status **of** technology before and after E-rate discounts. You may be asked to provide an estimate of the level of technology for all recipients of discounted services included in your application. This estimate would describe the level of technology for each recipient both at

the beginning of the funding year and after the planned products and services in your Technology Plan are delivered and installed.

Items 26 and 27 concern the technology plans that must be prepared and approved before schools and libraries may receive discounted services under the universal service support mechanism. **The** only schools and libraries that do not have to comply with the technology plan requirement **are** those entities requesting support ONLY for basic local and long distance telephone service.

Item 26 - Check the box that best describes the level of technology plan.

- **Item 26a** - Check here if the eligible entities are covered by individual technology plans for the services requested in your application.
- **Item 26b** - Check here if the eligible entities are covered by a higher-level, multi-entity technology plan, such **as** a school district or library system plan. Statewide technology plans are not acceptable.
- **Item 26c** - Check here if your application is ONLY for basic local and long distance telephone service, in which case no technology plan is required.

Item 27 - Check the box that best describes the status of the technology plan

- **Item 27a** - Check here if your technology plan has been approved.
- **Item 27b** - Check here if you are currently seeking approval of your technology plan(s) from a state or other authorized body.
- **Item 27c** - Check here if your application is ONLY for basic local and long distance telephone service, since no technology plan is required.

Item 28 - Certify that you have complied with all applicable state and local laws or rules regarding procurement. The FCC's rules are not intended to preempt state or local procurement rules.

Item 29 - Certify that services ordered pursuant to the universal service discount mechanism will be used for educational purposes only and that the services will not be sold, resold, or transferred in consideration for money or any other thing of value.

Item 30 - Certify that you have complied with all program rules and that you acknowledge failure to do so may result in denial of discount funding and/or cancellation of funding commitments.

Item 31 - Certify that you understand that the discount level used for shared services is conditional, for **future** years, upon ensuring that the most disadvantaged schools and libraries that **are** treated as sharing in the shared services receive an appropriate share of benefits **from** those services, as defined by the FCC.

Item 32 - Certify that you are aware that you may be audited to ensure that the information that you are providing in this form is accurate and that you are abiding by all of the relevant regulations. You must also commit to retain any and all worksheets and other records that you have relied upon to fill out Form 471 for five years so that an auditor can verify the accuracy of the information you provide. This includes all documentation showing that you have complied with all applicable competitive bidding requirements, including copies of competing bids and documentation of the bid evaluation process and bid criteria used. Thus, if applicants represent multiple billed entities, collect data from those entities, and add up that data, they should retain those data sheets for five years. If an applicant is audited, it should be prepared to make the worksheets and other records used to compile these forms available to the auditor and/or the administrator, and it should be able to demonstrate to the auditor and/or the Administrator how the entries in its application were provided.

Item 33 - Certify that you are the person authorized to submit and certify to the accuracy of this form. This person must be authorized to represent any and all of the entities for which discounts are sought in this application. Documentation to confirm this person's authorization to represent all entities in this application may be sought by the Fund Administrator during review of this application. For example, for consortium applications, the consortium lead member must either collect **Letters** of Agency from each consortium member or be able to provide some other proof that each consortium member knew it was represented on the application. Consortia that have a statutory or regulatory basis and for which participation is mandatory must be able to provide documentation supporting this certification. For consultants or other signers who are not employees of the Billed **Entity**, those individuals must also have a Letter of Agency from the applicant affirming that they are authorized to represent the applicant. For more information, please refer to "Letters of Agency" on the SLD web site at www.sl.universalservice.org.

Item 34 requires the signature of the authorized person.

Item 35 requires that the date of signature of the Form 471 be provided. Please note that for applications requesting new services, this **date** CANNOT be earlier than any Allowable Vendor Selection/Contract Date you cited in Item 17 of any Block 5 submitted with this application.

Item 36 (30 characters maximum) - Print the **name** of the authorized person whose signature is provided in Item 34.

Item 37 (30 characters maximum) - Provide the title or position of the authorized person whose signature is provided in Item 34.

Item 38 - Provide **the** telephone number, including area code, of the authorized person whose signature is provided in Item 34.

V. REMINDERS

- All schools and libraries ordering services eligible for universal service discounts must **file** Form 471 each time they order telecommunications services, Internet access, and internal connections for which they are requesting discounts.
- Form 470 must be posted to the SLD web site for at least 28 days before filing Form 471.
- If you are applying for both Priority 1 (Telecommunications Services or Internet Access) and Priority 2 (Internal Connections) services, you are strongly encouraged to file these requests on separate Forms 471 — that is, to file one or more Forms 471 for your Priority 1 requests and one or more Forms 471 for your Priority 2 requests.
- For Funding Year 2003, the application window will open at noon EST on Monday, November 4, 2002 and close at 11:59 p.m. EST on January 16, 2003.
- The authorized individual representing the entity that pays the bills for ordered telecommunications and other supported services for the school, school district, or libraries, or consortium must sign the Form 471 or certify it online.
- Provide **data** for all items that apply. For items that do not apply, fill in "N/A."
- Attach additional sheets if necessary. Any attachments to Form 471 should be clearly labeled. In addition, your attachments **for** Item 21 description of services must be clearly labeled with Attachment Numbers assigned by you.
- If you are filing Blocks 1-5 of Form 471 online, you must also complete and submit your **Block 6** Certification (whether online or on paper), your Item 21 description of services and any other attachments. If you have not already done so, you must also submit the **Block 5** certification of any Form 470 cited in a Funding Year 2003 Form 471 with the signature of the authorized person.
- The Fund Administrator **will** notify the Form 471 applicant after our review of your application has been completed.
- The Fund Administrator will not provide funds to service providers for any service until FCC Form 486 is **filed** for that service, indicating that the service recipient's technology plan(s) (if necessary) has/have been approved (unless the recipient **seeks** only basic local and long distance telephone service) and that service **has** begun to be provided or that the recipient **has** confirmed with the service provider that services are schedule to **begin** in July of the funding year (early **filing**).
- You may be audited to ensure that the information that you are providing in this form is accurate and that you are abiding by all of the relevant regulations.

EXHIBIT D



USAC | High Cost | Low Income | Rural Health Care | Schools and Libraries
 Site Tour | | Contacts | Get Help!

How to Apply: Step-by-Step

Form 486 Filing Guidance

Q1. What is the Form 486?

Q2. Why is the Form 486 required?

Q3. When should an applicant file a Form 486? How many should be filed?

Q4. How is the Form 486 related to the reimbursement process?

Q1. What is the Form 486?

The FCC Form 486, Receipt of Service Confirmation Form, is sent to the SLD by the billed entity applicant to indicate that it (or the eligible entities it represents) is receiving or has received service from the service provider(s) with which it contracted for E-rate eligible services. When the SLD receives a properly completed Form 486, that event triggers the process for the actual payment of discounts to the service providers.

The billed entity applicant (the applicant paying the bills) must submit the Form 486 for each Form 471 Block 5 Discount Funding Request approved by the SLD. Each Discount Funding Request and its associated Funding Request Number (FRN) contains information about one service for which the applicant is requesting discounts. The FRNs that are referred to in this Form 486 should be based on the Funding Commitment Decision Letter(s) received from the SLD.

Q2. Why is the Form 486 required?

The Form 486 is required for the following reasons:

- It triggers the actual payment of discounts to service providers (and the service providers then reflect this discount on your bills or reimburse you for discounted amounts you have already paid in full).
- It certifies that you have received approval for the technology plan(s) of entities receiving discounts on E-rate eligible services.
- It indicates the names of the person or body that was authorized to approve your technology plan
- It certifies that signed contracts are in place for all the services that require signed contract's.

SL Overview

Applicants

■ **Apply Online**

How to Apply:
Step-by-step

Step 1: Description

Step 2: Technology Plan

Step 3: File Form 470

Step 4: Bids / Select
 Vendor

Step 5: File Form 471

Step 6: Process Forms
 471

Step 7: Funds
 Committed

Step 8: File Form 486

Step 9: Discounts on
 Bills / BEAR Form 472

Step 10: Appeals /
 Corrections

■ **Viscount Matrix**

Service Providers

Reference Area

SL Forms

Data Requests

Funding Commitments

Site Map

PIN Request Area

Apply Online

View Forms

Search Site

Enter Keyword



Get the most out of your
 search query by viewing
Search TIPS!

Q3. When should an applicant file a Form 486? How many should be filed;

The billed entity applicant should file a Form 486 within 10 days after services have started. If the applicant has applied for services in addition to basic local and long distance telephone service, a Technology Plan must have been submitted to and approved by an organization certified by the SLD to approve Technology Plans

Early filing option: Applicants who have received a Funding Commitment Decision Letter and who have confirmed with their service providers that services will start in July of the funding year have the option of filing a Form 486 before the start of the funding year. Applicants must indicate in Block 2, Item 6, Early Filing Option, of the Form 486 that they are filing under this option.

You may list more than one FRN on a Form 486. However, if some of your services have started and others have not, you may want to file a Form 486 for those services which have started, and wait until your other services have started to file Form(s) 486 for those services.

Q4. How is the Form 486 related to the reimbursement process?

If you are seeking reimbursements for services you have already paid to your service provider, you must submit a Form 472, Billed Entity Reimbursement (BEAR) Form to the SLD. To process and approve your BEAR Form, we must have a Form 486 on file from you.

You should work with your service provider in selecting whether you will use the reimbursement process or whether the service provider will provide you with discounts on your bills. The payment process for the entire funding year will be consistent with the kind of invoice the SLD first receives.

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[Schools & Libraries](#) | [High Cost](#) | [Low Income](#) | [Rural Health Care](#) | [USAC](#)**

[Web Site Privacy Policy](#)

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EXHIBIT E

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of

Request for Review

by Integrity Communications

of the Decision of the

Universal Service Administrator

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CC Docket No. 97-21

CC Docket No. 96-45

AFFIDAVIT OF AGUIE PENA

1. I am Aguié Pena, and serve as the CEO and Superintendent of Information Referral Resource Assistance Independent School District ("IRRA") in McAllen, Texas. I have held this position throughout the relevant time period. My responsibilities as Superintendent include oversight of the preparation and filing of applications for e-Rate Funding with the School and Libraries Division ("SLD") of the Universal Service Administration Company ("USAC"), and oversight of our universal access program. I have final responsibility for contract acceptance and review, and program compliance and completion.

2. On December 19, 2000, IRRA issued its Form 470 requesting bids for provision of telecommunications and internet services pursuant to the Universal Service

Access program. Integrity Communications, Inc. ("Integrity") submitted a bid proposal to provide internal connections to IRRA.

3. IRRA accepted Integrity's bid on January 16, 2001, thereby creating a legally binding agreement with Integrity on January 16, 2001. It is our understanding that under Texas State law, a legally binding agreement is created upon the acceptance of the terms and conditions of a bid submitted pursuant to a request for proposals. IRRA evidenced its acceptance of Integrity's bid through its submission of the Form 471 application to SLD to apply for e-Rate Program funding for Funding Year 2001-2002. Integrity's bid, as accepted, was provided to SLD with the Form 471, and IRRA designated Integrity as the service provider it was going to utilize for internal connections in its e-Rate Program.

4. On September 6, 2001, SLD contacted IRRA and asked for copies of all contracts for its Universal Service Program. SLD did not request copies of the bid proposals as accepted, or evidence of the legally binding agreement between IRRA and Integrity, but only for copies of contracts. IRRA found SLD's inquiries to be confusing as it understood that all that is required to select a vendor is to enter into a legally binding agreement with a vendor, which is then evidenced by filing the Form 471. Pursuant to the Instructions for Completing Form 471, IRRA understood that SLD requires either a signed contract, OR a legally binding agreement between the District and the vendor preparatory to a formal signed Contract, when Form 471 is filed. In addition, IRRA understood that SLD does not require a District to certify signed contracts are in place until the time Form 486 is filed. As IRRA had already provided the legally binding agreement, the bid proposal as adopted, as an attachment to its Form 471, it responded that it had no other contracts.

5. On November 28, 2001, SLD again contacted IRRA. During this subsequent contact SLD requested a copy of the legally binding agreement between IRRA and Integrity. As IRRA had already supplied a copy of the accepted bid, it interpreted SLD's request as one for a signed contract. IRRA was confused by this subsequent request, and misunderstood it as an instruction to enter into a contract, even though the time for filing the Form 486 had not arrived. IRRA did not understand from SLD's requests, nor did SLD make clear, the difference between legally binding agreement or signed contracts, or exactly what it was requiring.

6. As IRRA understood this second request from SLD to be an instruction to execute a contract, IRRA that day contacted Integrity and told them that they needed an executed contract, even though the Form 486 was not due. IRRA executed a separate contract with Integrity and submitted that contract to SLD. That contract properly contained the date of execution being the same date that SLD requested a document from IRRA. The contract tracked the bid proposal by Integrity that had been originally accepted as a legally binding agreement by IRRA.

7. On December 13, 2001, SLD again contacted IRRA. This time SLD requested documentation of any legally binding agreement. SLD did not explain the difference between its requests, why it was again requesting information from IRRA, or the difference between legally binding agreement as compared to the contract. IRRA had already provided both the original legally binding agreement and a later signed contract, and could not understand SLD's quest. Frustrated with the inconsistent and unexplained requests for documentation received from SLD, IRRA simply responded that its filing of the Form 471 was evidence of the legally binding agreement, and contained a

copy of the legally binding agreement as accepted. At no time did SLD *make clear* to IRRA that it believed it was receiving conflicting information, ~~nor~~ could it make *clear* exactly the nature of *its* requests. At no time did SLD indicate that it believed IRRA's responses to be inconsistent, or request explanation of its perceived inconsistency. IRRA was simply responding to what it thought it was being instructed to do.

8. On January 11, 2002, SLD *denied* IRRA's request for funding based on the fact that it believed that there had been no legally binding agreement. The parties appealed this decision to SLD. On September 9, 2002, SLD issued its Decision on Appeal, which again denied funding because no legally binding agreement was in place at the time Form 471 was filed.


9. SLD's finding is based upon a fundamental misperception of the process which took place at IRRA, and from its inability to clearly state the documentation it requested, or the differences in the language used during each request. By this affidavit, I confirm that on January 16, 2001, IRRA reviewed the bid proposals that it had received from vendors and accepted the proposal submitted by Integrity. By accepting this bid, under Texas law, it entered into a legally binding agreement. It evidenced that agreement on the same day by filing the Form 471.

10. SLD's confusing and overlapping requests for documents, and interchangeable use of the terms legally binding agreement, contract and documentation are confusing for my staff, and for me. Had the precise nature of the requests received from SLD been clear, or had SLD made clear that it believed it was receiving inconsistent answers and requested clarification, we could have provided that information. Otherwise, we believe

that our answers were consistent with our understanding of SLD's requests, and with our legal requirements.

11. SLD's assumption was erroneous, and based upon misunderstandings of the information required at various points in time. IRRA and Integrity had a legally binding agreement on the date the Form 471 was filed. This agreement was entered into consistent with IRRA's obligations under state law.

12. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.


Aguie Pena
CEO and Superintendent
Information Referral Resource Assistance
Independent School District

Subscribed and Sworn to Before
Me, a Licensed Notary Public, this
7th day November 2002

My Commission Expires: 7-12-06

